

**FY2015 First Quarter Consolidated Financial Results [Japan GAAP]
(April 1, 2015 through June 30, 2015)**



August 6, 2015

Company Name : ANEST IWATA Corporation
 Stock Exchanges on which the shares are listed : Tokyo Stock Exchange in Japan
 Code Number : 6381
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 Filing Date of Quarterly Securities Report : August 12, 2015
 Payment Date of Cash Dividends : -
 Supplemental Materials Prepared for Quarterly Results : None
 Earnings Announcement for Quarterly Financial Results : None

(Amounts are rounded to the nearest million yen)

1. Consolidated Results for FY2015 (April 1, 2015 through June 30, 2015)

(1) Consolidated Financial Results (% of change from previous 1st Quarter)

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income Attributable to Parent Company Shareholders	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2015 1st Quarter	6,638	13.0	840	35.0	1,006	45.4	615	40.5
FY2014 1st Quarter	5,872	—	622	—	692	—	437	—

(Note) Quarterly Comprehensive Income: FY2015 1st Quarter 582 million yen (Δ 3.5%), FY2014 1st Quarter 603 million yen (—%)

	Net Income per share - Basic	Net Income per share - Diluted
	Yen	Yen
FY2015 1st Quarter	14.74	—
FY2014 1st Quarter	10.42	—

(Note) The change in accounting policy has been applied retroactively, so for the first quarter ending in March 2015, the figures shown relate to the period after the retroactive application. The amount of increase/decrease in the first quarter ending in March 2015 relative to the same quarter of the previous year is not shown because of this retroactive application.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	Million Yen	Million Yen	%
FY2015 1st Quarter	33,344	24,882	71.0
FY2014	33,766	24,689	69.4

(Note) Shareholders' Equity: FY2015 1st Quarter 23,683 million yen, FY2014 23,449 million yen.

2. Cash Dividends

	Annual Cash Dividends per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	—	8.00	—	8.50	16.50
FY2015	—	—	—	—	—
FY2015 (forecast)	—	8.00	—	8.50	16.50

(Note) Revisions to the forecast of cash dividends since latest announcement: None

3. Forecast of Consolidated Results for FY2015 (April 1, 2015 through March 31, 2016)

(% of change from FY2014)

	Net Sales		Operating Income		Ordinary Income		Current Net Income Attributable to Parent Company Shareholders		Net Income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2015 Half quarter (total)	14,000	9.7	1,600	1.0	1,900	5.0	1,160	Δ 0.5	27.79
FY2015	28,500	3.9	3,300	3.1	3,850	3.6	2,330	5.2	55.82

(Note) Revisions to the forecast of consolidated results since latest announcement: None

The change in accounting policy has been applied retroactively to the financial figures for the period ending in March 2015, so the amount of increase/decrease relative to the previous period and the amount of increase/decrease relative to the same quarter of the previous year are calculated in accordance with the figures after the retroactive application.

* Note

(1) Changes in significant subsidiaries during FY2015 1st quarter: None

(Changes in specified subsidiaries that caused a change in scope of consolidation)

New: Company (company name) Excluded: Company (company name)

(2) Application of account processing specific to the creation of quarterly consolidated financial statements: None

(3) Change in accounting policy, change and restatement of accounting estimates

- | | |
|--|------|
| (i) Change in accounting policy due to the revision of accounting standards, etc.: | Yes |
| (ii) Change in accounting policy for other reasons: | Yes |
| (iii) Change in accounting estimates: | None |
| (iv) Restatement: | None |

(4) Number of shares issued and outstanding (common stock)

(i). Number of shares issued and outstanding at the end of each fiscal year (including treasury stock)

(ii). Number of treasury shares at the end of each fiscal year

(iii) Average number of shares outstanding in the period (quarterly total)

FY2015 1st Quarter	41,885,505 shares	FY2014	41,885,505 shares
FY2015 1st Quarter	146,135 shares	FY2014	146,135 shares
FY2015 1st Quarter	41,739,370 shares	FY2014 1st Quarter	42,029,370 shares

* Indication for the implementation of quarterly review procedures

This quarterly financial results report is not subject to quarterly review procedures under the Financial Instruments and Exchange Act, and at the time of disclosure of this quarterly financial results report, quarterly review procedures are implemented on quarterly consolidated financial statements.

* Explanation of the appropriate use of the expected results of operations, other special notes

Forecasts for operations and other descriptions about the future that are contained in this document are based on the information acquired at the time of publication, as well as certain premises that we judge reasonable, and are not intended to imply that we commit to achieving them. The actual results of operations and so on may change greatly as a result of various factors. For information about the conditions acting as the premise for the expected results of operations and notes on the use of the expected results of operations, see "(3) Explanation for the information on future prospects including the expected consolidated results of operations" on page 2 of Attachment.

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1. Qualitative information for financial results of the current quarter

(1) Explanation for results of operations

Matters related to the future appearing in this text have been judged by our group as of the last day of the current consolidated fiscal first quarter.

(i) Explanation of results of operations

Regarding overseas economic situations during the current consolidated cumulative first quarter, slowdowns in growth were seen in Asia in general, mainly in China, but on the whole, a moderate recovery is under way, with solid support from demands in Europe and the United States. In Japan, the economy is heading for a moderate recovery, backed by the government's economic and financial measures.

In these circumstances, our group has been aiming at "a real global company (i.e. an establishment of global management system)" which has the optimum marketing, development, sales, production, procurement and business management systems for each market by gathering global customers' needs in accordance with the midterm business plan for three years from April 2013. During the current first quarter of the last fiscal year of the midterm business plan, we implemented the following measures: In terms of the development of new products, in the air compressor field we released energy-saving IE3-motor-equipped products, and in the vacuum pump equipment field we released the ISP-1000 large-size dry scroll vacuum pump for the Chinese market. In the coating equipment field, we developed and introduced small-size auto spray gun for revolving coating, new-type electrostatic spray gun, and high-viscosity fluid-coating nozzles for liquid handling in the food industry. Looking at overall sales, ANEST IWATA SERVICE Corporation, which was in charge of providing our compressor repair service, was renamed ANEST IWATA COMPRESSOR Corporation, and now offers all products and services related to the supply of compressed air as a one-stop company, with the goal of further improving customer satisfaction. In the field of coating systems, we formed a capital and business alliance with Takubo Engineering Co., Ltd. for the purpose of developing and supplying innovative coating methods. In production, we promoted further automated and labor-saving operations and strived to improve our production efficiency.

As a result, our business performance for the current consolidated cumulative first quarter grew both in terms of revenue and income, with sales standing at 6,638 million yen (up 13.0% from the same consolidated cumulative quarter of the previous fiscal year), operating profit at 840 million yen (up 35.0%), current profit at 1,006 million yen (up 45.4%), and quarterly net profit attributable to the parent company shareholders at 615 million yen (up 40.5%).

(ii) Results of operations by segment

The results of our operations by segment are omitted as they are shown in (Segment information, etc.) in "3. Quarterly consolidated financial statements - (3) Notes on quarterly consolidated financial statements".

(iii) Sales by product category are as follows:

(Amount: thousand yen)

Product Category	Consolidated cumulative first quarter of the previous fiscal year		Consolidated cumulative first quarter of this fiscal year		Increase/decrease from the corresponding quarter of the previous fiscal year	
	April 1, 2014 - June 30, 2014		April 1, 2015 - June 30, 2015		Amount of increase/decrease	Increase/decrease rate (%)
	Sales	Composition rate (%)	Sales	Composition rate (%)		
Air Compressors	2,729,662	46.5	3,114,253	46.9	384,590	14.1
Vacuum Equipment	390,871	6.6	442,755	6.7	51,884	13.3
Coating Equipment	2,494,580	42.5	2,826,132	42.6	331,551	13.3
Coating Systems	257,473	4.4	255,658	3.8	Δ1,814	Δ0.7
Total	5,872,588	100.0	6,638,800	100.0	766,211	13.0

(2) Explanation for financial condition

(i) Conditions of assets, liabilities and net assets

(a) Assets: Our current assets stood at 16,571 million yen (down 1.4% from the previous consolidated fiscal year), mainly due to a decrease of 898 million yen in the "accounts receivable-trade". Our noncurrent assets stood at 16,773 million yen (down 1.1%), mainly due to a decrease of 167 million yen in the "property, plant and equipment". As a result, our total assets stood at 33,344 million yen (down 1.2%).

(b) Liabilities: Our current liabilities stood at 5,678 million yen (down 8.1%), mainly due to a decrease of 235 million yen in the "provision for bonuses". Our noncurrent liabilities stood at 2,783 million yen (down 3.9%), primarily because of a decrease of 105 million yen in the "net defined benefit liability". As a result, our total liabilities stood at 8,461 million yen (down 6.8%).

(c) Net assets: Our net assets stood at 24,882 million yen (up 0.8%). Our equity capital, which is calculated by subtracting the non-controlling shareholders' equity from the net assets, stood at 23,683 million yen, increasing our capital-to-asset ratio by 1.6 percentage points to 71.0%, from 69.4% at the end of the previous consolidated fiscal year.

(3) Explanation for the information on future prospects including the expected consolidated results of operations

At present, the expected consolidated results of operations for the consolidated cumulative second quarter and the full year announced on May 8, 2015 remain unchanged.

2. Matters concerning the summary information (notes)

(1) Change of accounting policy, change and restatement of accounting estimates

(Change in method for converting incomes and expenses of overseas subsidiaries, etc.)

The incomes and expenses of overseas subsidiaries, etc. were previously converted into yen at the spot exchange rate effective on the accounting date, but starting from the current consolidated fiscal first quarter, the conversion shall be performed using the average exchange rate during the period. The reason for this change is to compensate for the impacts of temporary exchange rate fluctuations on periodic profit and loss, in view of the importance of overseas subsidiaries, etc. and the recent significant fluctuations in exchange rates, and to reflect the profit and loss occurring throughout the consolidated accounting period more appropriately in consolidated financial statements.

This change in accounting policy has been applied retroactively, such that for the previous consolidated cumulative first quarter, the consolidated financial statements have been created after the retroactive application.

As a result, sales and operating income in the previous consolidated cumulative first quarter increased by 827 thousand yen and 318 thousand yen, respectively, relative to the figures prior to the retroactive application, while the ordinary income decreased by 216 thousand yen. Note that the degree of influence that this retroactive application has had on the quarterly net income per share is minor.

Because the amount of cumulative influence is reflected in the net assets existing at the beginning of the previous consolidated fiscal year, the balance of the retained earnings at the beginning of the previous period decreases by 44,708 thousand yen, and the balance of the foreign currency conversion adjustment at the beginning of the previous period increases by the same amount.

(Application of the Accounting Standard for Business Combination, etc.)

The "Accounting Standard for Business Combination" (corporate accounting standard No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (corporate accounting standard No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (corporate accounting standard No. 7, September 13, 2013), and so on are applied in and after the current consolidated fiscal first quarter, and changes are made to the indication of the quarterly net income, etc. and the indication using minority shareholders' equity is changed to that using non-controlling shareholders' equity. To reflect the changes in indication for the previous consolidated cumulative first quarter and the previous consolidated fiscal year, we revised the quarterly consolidated financial statements and the consolidated financial statements.

3. Quarterly consolidated financial statements
 (1) Quarterly consolidated balance sheets

(Amount: thousand yen)

	FY2014 (As of March 31, 2015)	FY2015 (As of June 30, 2015)
Assets		
Current Assets		
Cash and deposits	5,022,181	5,533,855
Accounts receivable-trade	5,537,884	4,639,420
Securities	300,000	300,000
Merchandise and finished goods	2,912,250	3,010,104
Work in process	501,549	531,737
Raw materials and supplies	1,269,577	1,348,001
Other	1,291,196	1,240,752
Allowance for doubtful accounts (current)	Δ28,214	Δ32,578
Total current assets	16,806,425	16,571,294
Noncurrent Assets		
Property, plant and equipment	7,406,171	7,238,208
Intangible assets	1,351,690	1,246,700
Investments and other assets		
Investment securities	5,785,922	6,028,308
Other	2,426,649	2,270,984
Allowance for doubtful accounts (noncurrent assets)	Δ10,725	Δ10,725
Total investments and other assets	8,201,846	8,288,566
Total noncurrent assets	16,959,708	16,773,476
Total assets	33,766,133	33,344,770

(Amount: thousand yen)

	FY2014 (As of March 31, 2015)	FY2015 (As of June 30, 2015)
Liabilities		
Current Liabilities		
Accounts payable-trade	3,033,399	2,848,967
Short-term loans payable	301,251	274,381
Income taxes payable	458,305	245,247
Provision for bonuses	502,150	266,308
Provision for other	216,088	168,494
Other	1,667,887	1,875,224
Total current liabilities	6,179,082	5,678,624
Noncurrent liabilities		
Long-term loans payable	79,192	79,581
Net defined benefit liability	2,472,056	2,366,692
Other	346,274	337,069
Total noncurrent liabilities	2,897,523	2,783,342
Total liabilities	9,076,605	8,461,966
Net Assets		
Shareholders' equity		
Capital stock	3,354,353	3,354,353
Capital surplus	1,380,380	1,380,380
Retained earnings	17,128,540	17,388,899
Treasury stock	△117,094	△117,094
Total shareholders' equity	21,746,179	22,006,538
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	610,942	796,614
Foreign currency translation adjustments	1,020,961	819,599
Remeasurements of defined benefit plans	71,224	60,662
Total valuation and translation adjustments	1,703,128	1,676,876
Non-controlling shareholders' equity	1,240,220	1,199,389
Total net assets	24,689,528	24,882,803
Total liabilities and net assets	33,766,133	33,344,770

(2) Quarterly consolidated profit and loss statements and quarterly consolidated statements of comprehensive income
 Quarterly consolidated profit and loss statement
 Consolidated cumulative first quarter

(Amount: thousand yen)

	FY2014 (April 1, 2014 through June 30, 2014)	FY2015 (April 1, 2015 through June 30, 2015)
Net sales	5,872,588	6,638,800
Cost of sales	3,200,542	3,594,344
Gross profit	2,672,046	3,044,456
Selling, general & administrative expenses	2,049,549	2,203,862
Operating income	622,497	840,594
Non-operating income		
Interest and dividend income	21,800	35,974
Equity in earnings of affiliates	27,208	30,950
Foreign exchange gains	-	55,726
Other	65,264	52,137
Total non-operating income	114,273	174,788
Non-operating expenses		
Interest expenses	1,920	5,199
Depreciation expenses	37,741	-
Other	4,847	3,310
Total non-operating expenses	44,509	8,510
Ordinary income	692,261	1,006,872
Extraordinary income		
Gain on sales of fixed assets	110	1,682
Compensation for transfer of property in case of expropriation	44,569	-
Total extraordinary income	44,679	1,682
Extraordinary losses		
Loss on sales of noncurrent assets	552	1,997
Dismantlement cost	3,832	-
Total extraordinary losses	4,385	1,997
Income before income taxes	732,555	1,006,557
Income taxes - current	110,441	204,970
Income taxes - deferred	129,393	169,559
Total income taxes	239,835	374,530
Net income	492,720	632,026
Quarterly net income attributable to non-controlling shareholders	54,859	16,882
Quarterly net income attributable to parent company shareholders	437,861	615,143

Quarterly consolidated statements of comprehensive income
 Consolidated cumulative first quarter

(Amount: thousand yen)

	FY2014 (April 1, 2014 through June 30, 2014)	FY2015 (April 1, 2015 through June 30, 2015)
Net income	492,720	632,026
Other comprehensive income		
Valuation difference on available-for-sale securities	100,430	185,671
Foreign currency translation adjustment	△131,114	△227,802
Remeasurements of defined benefit plans	190,077	△10,561
Share of other comprehensive income of associates accounted for using equity method	△48,847	3,081
Total comprehensive income	110,546	△49,610
Comprehensive income	603,267	582,415
(Comprehensive income attributable to)		
Parent company shareholders	581,373	588,891
Non-controlling shareholders	21,893	△6,476

(3) Notes on quarterly consolidated financial statements

(Notes on the premise of a going concern)

There are no relevant matters.

(Notes relating to cases in which there are significant changes in the amount of shareholders' equity)

There are no relevant matters.

(Segment information, etc.)

I Previous consolidated cumulative first quarter (April 1, 2014 through June 30, 2014)

1. Information about the amounts of sales and incomes in each report segment

(Amount: thousand yen)

	Report segment				Other (Note)	Total
	Japan	Europe	Asia	Total		
Sales						
Sales to external customers	3,783,949	723,041	792,850	5,299,841	572,747	5,872,588
Internal sales or transfers between segments	631,661	47,369	70,479	749,509	13,318	762,828
Total	4,415,611	770,411	863,329	6,049,351	586,065	6,635,417
Segment income	617,799	66,262	79,427	763,489	22,899	786,388

(Note) The "Note" category addresses those business segments not covered by the report segments; business activities of local corporations in the United States, Brazil, Australia, Russia, South Africa, and the United Arab Emirates.

2. Difference between the total amounts of incomes of the report segments and the amount reported in the quarterly consolidated profit and loss statements, as well as the main items of the difference (matters related to difference adjustment)

(Amount: thousand yen)

Income	Amount
Report segment total	763,489
Income from "Other" category	22,899
Inter-segment transactions erased	57,909
Company-wide expenses (Note)	△221,800
Operating income in the quarterly consolidated profit and loss statement	622,497

(Note) Company-wide expenses are mainly the sales expenses and general administrative expenses that cannot be attributed to the report segments.

II Current consolidated cumulative first quarter (April 1, 2015 through June 30, 2015)

1. Information about the amounts of sales and incomes in each report segment

(Amount: thousand yen)

	Report segment				Other (Note)	Total
	Japan	Europe	Asia	Total		
Sales						
Sales to external customers	4,073,352	811,035	993,030	5,877,418	761,382	6,638,800
Internal sales or transfers between segments	766,611	55,801	83,462	905,875	41,276	947,152
Total	4,839,963	866,837	1,076,493	6,783,294	802,658	7,585,953
Segment income	880,289	97,133	72,790	1,050,213	55,041	1,105,254

(Note) The "Note" category addresses those business segments not covered by the report segments; business activities of local corporations in the United States, Brazil, Australia, Russia, South Africa, and the United Arab Emirates.

2. Difference between the total amounts of incomes of the report segments and the amount reported in the quarterly consolidated profit and loss statements, as well as the main items of the difference (matters related to difference adjustment)

(Amount: thousand yen)

Income	Amount
Report segment total	1,050,213
Income from "Other" category	55,041
Inter-segment transactions erased	19,612
Company-wide expenses (Note)	△284,272
Operating income in the quarterly consolidated profit and loss statement	840,594

(Note) Company-wide expenses are mainly the sales expenses and general administrative expenses that cannot be attributed to the report segments.